

HOUSE BILL 320

By Hawk

AN ACT to amend Tennessee Code Annotated, Section 67-4-2008 and Section 67-4-2015, relative to estimated franchise and excise tax payments.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 67-4-2015(b), is amended by deleting the language "The minimum amount of each quarterly payment shall be the lesser of:" and substituting instead the language "Except as otherwise provided in this section, the minimum amount of each quarterly payment shall be the lesser of:".

SECTION 2. Tennessee Code Annotated, Section 67-4-2015, is amended by adding the following language as a new subsection (g) and appropriately redesignating existing subsection (g) and the remaining subsections:

(g)

(1) Notwithstanding this section to the contrary, with respect to the excise tax component of its quarterly estimated franchise and excise tax payments, a taxpayer may elect to calculate that excise tax component in the manner provided by Section 6655(e)(2) of the Internal Revenue Code. For those taxpayers that elect to calculate the excise tax component of their quarterly estimated franchise and excise tax payments in the manner provided by this subsection (g), the franchise tax component of each quarterly estimated payment shall be the lesser of:

(A) Twenty-five percent (25%) of the franchise tax shown on the tax return for the preceding tax year, annualized if the preceding tax year was for less than twelve (12) months; or

(B) Twenty-five percent (25%) of eighty percent (80%) of the franchise tax liability for the current tax year.

(2) A taxpayer electing to calculate its quarterly estimated franchise and excise tax payments under this subsection (g) shall establish the amount of each estimated payment on a form prescribed by the commissioner.

SECTION 3. Tennessee Code Annotated, Section 67-4-2008(f)(1), is amended by deleting the subdivision in its entirety and substituting instead the following language:

(f)

(1) Every person claiming exemption from taxation under this section shall file an application for exemption upon a form prescribed by the commissioner. The application shall be filed on or before the fifteenth day of the fourth month following the close of the first tax year for which the person claims the exemption.

SECTION 4. Tennessee Code Annotated, Section 67-4-2008(f)(3), is amended by deleting the language "one thousand dollars (\$1,000)" and substituting instead the language "two hundred dollars (\$200)".

SECTION 5. This act shall take effect upon becoming a law, the public welfare requiring it, and shall apply to tax years beginning on or after January 1, 2017.